

***** ~~TOP SECRET~~ *****S CDP

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FM THE SITUATION ROOM TOAHK116

NSA, DIA reviews
completed

TO LARRY EAGLEBURGER FOR SECRETARY KISSINGER

~~TOP SECRET~~ SENSITIVE CONTAINS CODEWORD WH40293

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~~TOP SECRET-SENSITIVE~~
CONTAINS CODEWORD

JANUARY 19, 1974

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY

MEMORANDUM FOR SECRETARY KISSINGER

FROM: THE SITUATION ROOM
SUBJECT: EVENING REPORT

CHINA - SOUTH VIETNAM DISPUTE: EARLY THIS MORNING CHINESE AND
SOUTH VIETNAMESE TROOPS CLASHED ON AN ISLAND IN THE PARACELS
BELIEVED TO BE DUNCAN ISLAND.

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THE SOUTH VIETNAMESE ARE UNLIKELY TO SEEK FURTHER
COMBAT IN VIEW OF THE APPARENT CHINESE DETERMINATION TO USE
FORCE. EACH SIDE WILL ACCUSE THE OTHER OF STARTING THE FIGHT-
ING, BUT IT IS UNLIKELY THAT EITHER SEEKS A PROLONGED MILITARY
CONFRONTATION OVER THE ISLANDS

***** *WHSR COMMENT*****

SEC FILE

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BOTH FRONTS QUIET IN THE MIDDLE EAST: NO REPORTS OF CEASE-FIRE VIOLATIONS WERE REPORTED IN THE MIDDLE EAST DURING THE LAST 24 HOURS. EGYPTIAN AND UN OBSERVERS DID HOWEVER REPORT A FEW "GROUND EXPLOSIONS" WEST OF FAYOUM ON THE WEST BANK OF THE SUEZ CANAL AND IN THE AREA EAST OF THE LITTLE BITTER LAKE YESTERDAY MORNING. NO FURTHER DETAILS ARE AVAILABLE. THE SYRIAN FRONT REMAINS QUIET. AIR ACTIVITY WAS LIMITED TO ONLY A FEW TRAINING AND OBSERVATION FLIGHTS ON BOTH FRONTS.

TOP SECRET-SENSITIVE

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INDOCHINA MILITARY SITUATION: THE BRITISH EMBASSY IN PHNOM PENH HAS BEGUN EVACUATING DEPENDENTS AND NON-ESSENTIAL PERSONNEL FOLLOWING A COMMUNIST ROCKET ATTACK THAT HIT A FRENCH SECONDARY SCHOOL YESTERDAY. SOME FRENCH DEPENDENTS REPORTEDLY ARE ALSO LEAVING. PRESS REPORTS INDICATE THREE MORE ROCKETS HIT THE CITY TODAY, KILLING ONE AND INJURING NINE. IN HIS LATEST APPRAISAL OF THE SITUATION, THE U.S. DEFENSE ATTACHE ESTIMATES THAT THE CAMBODIAN ARMY HAS THE MEANS TO CONTAIN COMMUNIST OFFENSIVES AROUND PHNOM PENH.

IN SOUTH VIETNAM, GOVERNMENT FORCES ARE CONSOLIDATING THEIR POSITIONS AROUND PLEI DIERENG IN PLEIKU PROVINCE AGAINST LIGHT ENEMY RESISTANCE.

THE NORTH VIETNAMESE HAVE SIZABLE FORCES NEAR THE CAMP, HOWEVER, AND COULD GO ON THE ATTACK WITH LITTLE WARNING. THE PRESS REPORTS EXTREMELY HEAVY SHELLING YESTERDAY -- ABOUT 1,000 ROUNDS OF ARTILLERY, ROCKET AND MORTAR FIRE -- AGAINST THE GOVERNMENT'S DEFENSE LINE NORTH OF KONTUM CITY IN THE HIGHLANDS. PRESS REPORTS ALSO STATE THAT SHARP FIGHTING IN THE CENTRAL DELTA PROVINCE OF DINH TUONG HAS COST THE COMMUNISTS HEAVILY IN CASUALTIES

BELGIAN GOVERNMENT RESIGNS: SPARKED BY THE ANNOUNCEMENT THAT IRAN WAS DROPPING ITS BACKING OF A SOCIALIST-SUPPORTED PLAN TO BUILD A HUGE OIL REFINERY IN BELGIUM, PREMIER EDMOND LEBURTON SAID HE WOULD HAND HIS RESIGNATION TO KING BAUDOUIN SATURDAY AFTER THE SOCIALISTS FRIDAY NIGHT RESIGNED FROM THE RULING THREE-PARTY COALITION. THE SOCIALISTS HAD HEAVILY SUPPORTED THE PLAN TO BUILD A \$275 BILLION REFINERY NEAR LIEGE WITH IRANIAN HELP. IRAN BACKED OUT EARLIER IN THE DAY BECAUSE THE BELGIAN GOVERNMENT REQUESTED NEW NEGOTIATION ON SOME TERMS OF THE DEAL.

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CHINA EXPELS FIVE SOVIETS ON SPY CHARGES: THE OFFICIAL HSINHUA NEWS AGENCY REPORTED THE EXPULSION OF FIVE RUSSIANS ON CHARGES THEY ENGAGED IN SPY ACTIVITIES IN THE SOVIET EMBASSY IN PEKING. THE BROADCAST SAID VICE FOREIGN MINISTER YU CHAN SUMMONED SOVIET AMBASSADOR V.S. TOLSTIKOV THIS MORNING AND HANDED HIM A NOTE

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STATING THAT TWO SOVIET DIPLOMATS, THEIR WIVES AND AN INTERPRETER IN THE ATTACHE'S OFFICE WERE ARRESTED BY CHINESE PUBLIC SECURITY PERSONNEL AND MILITIAMEN WHILE ATTEMPTING TO HAND OVER AND RECEIVE INTELLIGENCE MATERIAL AND EQUIPMENT. ACCORDING TO PRESS REPORTS THE FIVE RUSSIANS LEFT CHINA THIS AFTERNOON.

SOUTH VIETNAMESE ASSEMBLY AMENDS CONSTITUTION: IN A JOINT SENATE-LOWER HOUSE SESSION TODAY, THE SOUTH VIETNAMESE ASSEMBLY OVERWHELMINGLY APPROVED THE AMENDMENTS TO THE 1967 CONSTITUTION. THE CHANGE PERMITS PRESIDENT THIEU TO RUN FOR A THIRD FIVE-YEAR TERM.

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NEWS ROUNDUP:

NICK THIMMESCH WRITES IN THE SUN THAT THE WORK OF LEON JAWORSKI IS FAST COMING TOGETHER. IN A RECENT CONVERSATION WITH THIMMESCH, JAWORSKI SAID THAT "WE ARE CLOSE TO INDICTMENT ACTION ON SEVERAL PEOPLE, AND THEY ARE NO SMALL FISH BY ANY MEANS." HE ADDED THAT "FOR US, THERE ARE NO SACRED COWS. FROM PRESIDENT NIXON TO YOU ON DOWN, WE HAVE AN OBLIGATION TO CONDUCT A FULL INVESTIGATION." THIMMESCH CONTENDS THAT YOU COULD BE INVOLVED IN THE "PLUMBERS" GROUP. ALTHOUGH YOU HAVE DENIED PLAYING ANY ROLE IN THESE

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CRIMES, THERE IS A POSSIBILITY THAT YOU DID NOT TELL THE WHOLE TRUTH WHEN YOU TESTIFIED BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE THAT YOU HAD ABSOLUTELY NO KNOWLEDGE OF WHAT DAVID YOUNG WAS DOING.

THE WASHINGTON STAR-NEWS: THE LEAD STAR EDITORIAL CONTENDS THAT THERE HAD TO BE MORE RESULTS TO YOUR SHUTTLE ARROUND THE MIDEAST THAN IS APPARENT IN THE RELEASED AGREEMENT. THERE IS SOME EVIDENCE IN SADAT'S PRAISE FOR AMERICA THAT THE OIL EMBARGO MAY BE LIFTED. IF THE EMBARGO IS LIFTED, ONE WOULD HAVE TO CONCLUDE THAT THE GENEVA NEGOTIATIONS WILL RESUME UNDER VERY MUCH IMPROVED CONDITIONS. (6)

MILTON VORST ASKS WHAT ARE WE GOING TO DO ABOUT THE POSSIBILITY OF RENEWED FIGHTING IN VIETNAM. WHILE OUR ATTENTION HAS BEEN ON WATERGATE AND THE MIDEAST, THE STORM CLOUDS CONTINUE TO BUILD OVER VIETNAM. VIETNAM, YOUR BABY FOR THE FIRST FOUR YEARS, HAS HAD A BUREAUCRATIC TRANSFER. VIETNAM HAS BEEN SHIFTED TO SCHLESINGER. VIETNAM PEACE IS A TRIUMPH OF TIMES PAST, AND NEW CHALLENGES EXCITE YOU. SINCE WINNING THE NOBEL PRIZE, YOU HAVE GONE ON TO MORE STIMULATING STUFF -- THE MIDEAST CRISIS, THE OIL CRISIS, THE PLUMBERS CRISIS, AND THE DETENTE CRISIS. (7)

CHARLES BARTLETT WRITES THAT THE SPYING INCIDENT SHOULD BE TAKEN AS A WARNING THAT IT IS TIME TO GIVE MORE THOUGHT TO THE INSTITUTIONAL ASPECTS OF GOVERNMENT. ALTHOUGH YOU WANT TO BRING THE BUREAUCRACY BACK TO HELP INSTITUTIONALIZE THE NIXON FOREIGN POLICY IT IS TOO LARGE. ONE SOLUTION WOULD BE TO CUT IT DOWN AND A GOOD PLACE TO BEGIN WOULD BE WITH THE JOINT CHIEFS. A SHRUNKEN JOINT STAFF WOULD BE LEFT WITH ITS ORIGINAL FUNCTION OF ADVISING THE SECRETARY OF DEFENSE. THE RECENT SECRETARIES HAVE DECIDED TO AVOID THE CONFRONTATION AND HAVE TRIED TO SEEK EFFICIENCY IN OTHER WAYS. (7)

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